



## Coast Guard HR Flag Voice 105

### DIEMS - DO YOU KNOW WHAT YOURS IS?

DIEMS is an acronym for Date of Initial Entry into Military Service. For most members this date is the same as your base pay date or your active duty base date, both of which are indicated on your Leave and Earning Statement (LES).

For others the date that you entered military service may not be the same date that you began to accrue pay and allowances, an example would be members that entered the service on the Delayed Enlistment Program. Signing up in the delayed enlistment program established for you a DIEMS even though you did not actually report to boot camp for several months. Your active duty base date was determined when you reported to boot camp.

Individuals reporting to the Coast Guard Academy without any prior enlisted service receive a DIEMS. Upon graduation and commissioning you receive an active duty base date and begin to accrue pay and allowances and time toward retirement. The time in service as a cadet at a service academy does not count toward longevity or retirement for officers.

So why is there a DIEMS anyway? Your DIEMS determines your retired pay computations!

And why is this important? We have different retirement systems approaching, and you must know which one applies to yourself.

DIEMS prior to 08 Sep 1980. You retire with a multiplier based on 2.5% of your final rate of basic pay times years of service, up to a maximum multiplier of 75%. For commissioned officers and enlisted members, the final rate of basic pay is the basic pay scale in effect the first day of retirement. For warrant officers, the final basic pay is the rate of pay in effect on the last day of active duty, the day before your effective retirement. This retirement law may be referred to as the "high 1."

DIEMS of 08 Sep 1980 or later. Your retired pay base is established using the highest 36 month average of basic pay you received in your career. These are usually the last 36 months of active duty. This retired pay base is multiplied by 2.5% times the years in service up to a maximum of 75%. This retirement law may be referred to as the "high 3."

DIEMS of 01 Aug 1986 or later for active duty only. Your retired pay may be calculated similar to the preceding paragraph (DIEMS of 08 Sep 1980 or later) or you may opt for a \$30,000 career status bonus

by your 15<sup>th</sup> anniversary of active duty service and have your retired pay multiplier reduced by one percentage point for every year shy of 30 years of creditable service. This is the alternative provided by Congress when they repealed "REDUX." In essence, you can still retire under the old rules of REDUX, but with a front end "kicker" of \$30K. This retirement law may be referred to as the "choice."

Since your DIEMS is the determining factor on which retired pay plan you will be under we will provide you with your DIEMS on your LES in several months.

All members must ensure that their Date of Entry into Military Service is correct to properly plan for their retirement or to anticipate a possible bonus they may elect to take at 15 years of active service.

Recap. Three retirement plans exist that are dependent upon your DIEMS.

Plan 1: "High 1" applies to those whose DIEMS is 07 Sep 1980 or earlier. Retired pay at 20 years is based on 50% of the member's highest basic pay rate. Retired pay COLAs are based upon the CPI.

Plan 2: "High 3" applies to those members who entered service between Sep 8, 1980 to 31 Jul 1986. Retired pay at 20 years is based on 50% of the average of the highest 36 months of basic pay. COLAs applied same as "High 1."

Plan 3: "Choice" applies to those that entered service after Aug 1, 1986.

Option 1 - Accept \$30,000 'career status bonus' upon reaching 15 years of active duty service and agree to receive the reduced retirement plan. The plan is based on "high 3" with member receiving 40% at 20 years and 3 ½ percent per year added thereafter. COLA would also be reduced CPI - 1%.

Option 2 - Do not accept bonus and retire under 'high 3.'

Additional information is available on the DoD web site at <http://pay2000.dtic.mil>, with a financial calculator to help you weigh your options, and the Military Compensation Division website at <http://www.uscg.mil/hq/g-w/g-wp/g-wpm/g-wpm-2/compensation.htm>

Regards, FL Ames



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